

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re:) Bankruptcy No. 22-30421
)
JEFFREY MARSHALL ADAMS,) Chapter 7
)

Debtor(s).)

EX PARTE MOTION TO CONDUCT RULE 2004 DISCOVERY
(MERRILL LYNCH and PAYPAL, INC.)

Heather W. Culp, Trustee for the estate of the above-captioned Chapter 7 bankruptcy (“Movant”), requests that the Court enter an order permitting her to examine Merrill Lynch, Pierce, Fenner & Smith Incorporated and PayPal, Inc. via document subpoena pursuant to Federal Rule of Bankruptcy Procedure Rule 2004. In support, Movant shows the following:

Merrill Lynch

1. In the Statement of Financial Affairs (question 20) that the Debtor filed with the Court, the Debtor disclosed that within one year prior to this bankruptcy filing he had closed a financial account identified as “Merrill Edge CMA acct. 4D40.”

2. A Consent Order and Judgment that the Debtor signed in January 2020 states that the Debtor owned “a Merrill Edge CMA Account No. 4D40, which is titled in his individual name.” This Consent Order and Judgment, filed in January 2020 in Mecklenburg County (North Carolina) District Court, distributed this account to the Debtor as part of a domestic proceeding with his former spouse.

3. Movant informally requested from the Debtor the final three months of statements for Merrill Edge CMA acct. 4D40. The Debtor responded through his counsel of record that Merrill Edge CMA account -4D40 was closed more than five years prior to this bankruptcy filing and was not included in the divorce.

4. Movant wishes to request from Merrill Lynch all documents relevant to the Debtor during the four-year period preceding this bankruptcy filing as part of her investigation of the Debtor’s acts, conduct, or property or to the liabilities and financial condition of the Debtor, or to any matter which may affect the administration of the Debtor's estate, or to the Debtor's right to a discharge.

PayPal, Inc.

5. Venmo, LLC is a subsidiary of PayPal, Inc.

6. The Debtor's financial records produced to Movant disclose that the Debtor used a Venmo account to transfer and pay thousands of dollars from his account(s) prior to this bankruptcy filing. The records generally do not identify the transferee. The Debtor's notes to Movant include the identification of the recipient of some of the Venmo transfers and payments.

7. The records further disclose several Venmo "cashouts" resulting in deposits to Movant's financial account(s).

8. Movant wishes to request from PayPal, Inc. records of the Debtor's Venmo activity during the four-year period preceding this bankruptcy filing as part of her investigation of the Debtor's acts, conduct, or property or to the liabilities and financial condition of the Debtor, or to any matter which may affect the administration of the Debtor's estate, or to the Debtor's right to a discharge.

9. The document subpoenas issued pursuant to this motion will allow at least 21 days for production.

WHEREFORE, Movant respectfully requests the entry of an Order pursuant to Federal Rule of Bankruptcy Procedure 2004 authorizing her to examine Merrill Lynch, Pierce, Fenner & Smith Incorporated and PayPal, Inc. via document subpoena and for such other and further relief as may be just and appropriate.

June 20, 2023.

/s/Heather W. Culp

Heather W. Culp

NC Bar No. 30386

Chapter 7 Trustee/Attorney for Trustee

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CERTIFICATE OF SERVICE

I hereby certify that on June 20, 2023, I electronically filed the foregoing ***EX PARTE*** **MOTION TO CONDUCT RULE 2004 DISCOVERY (MERRILL LYNCH and PAYPAL, INC.)** with the Clerk of Court using the CM/ECF system, which will send notification of such filing to those registered, including the following parties:

U.S. Bankruptcy Administrator
James H. Henderson, Attorney for the Debtor

I further certify that the foregoing was this day served on the following parties listed below by mailing a copy of the same in an envelope addressed to each party with proper postage attached and deposited in an official depository under the exclusive care and custody of the United States Postal Service:

Jeffrey Marshall Adams
2719 Selwyn Ave., No. 18
Charlotte, NC 28209-1760

/s/Heather W. Culp
Heather W. Culp
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